

Kentucky colleges mostly affordable, but consultants see room for improvement

By **MOLLY WILLIAMSON**
State Journal Staff Writer

Kentucky colleges and universities are affordable, but the state still has some work to do.

Outside consultants who began studying the affordability of Kentucky higher education institutions in February will present their interim findings Monday to both the Council on Postsecondary Education and the General Assembly Interim Joint Committee on Education. The final report will be ready in September.

There were really no surprises, said Sandra K. Woodley, council vice president of finance, Friday about the report's preliminary results.

"We are really pleased with the findings, but there is more to come," Woodley said. "Even with good results, we still have affordability gaps we need to manage and we need to find the smartest way to do that."

For the most part, Kentucky's public two-year and four-year colleges are affordable, with the amount of financial aid students receive usually correlating with the student's income level, Woodley said.

However, as council staff suspected, paying for college is more difficult for independent students, typically nontraditional students not directly out of high school or living with their parents. Those students tend to receive less federal and state financial aid and have higher amounts of loans, Woodley said.

The consultants mainly gathered their information from the Free Application for Federal Student Aid, to see how much students received in financial aid, Woodley said. From that, the consultants figured out the net price for students.

Net price is the cost of educating a student, or "sticker price," including tuition, fees, books, miscellaneous expenses, room and board, Woodley said. Then, the contractors subtracted out the amount of financial aid students typically received. That is the net price. The goal is to have it be \$5,000 or less because that is what a student could earn in a year working part time for minimum wage. With federal and private loans are factored in, the report reported the out of pocket price for students.

The study estimated full-time community college students pay about \$4,000 on average

each year. Students at public four-year institutions pay about \$8,000 net, but those with loans pay about \$6,000 out of pocket.

Students at private colleges pay about \$12,000 net, but only about \$8,000 out of pocket, the report said.

"As the tuition increases, loans play a more important part in helping students pay for college," the report said.

About 60 percent of students attending four-year colleges and universities filled out the FAFSA, Woodley said. The ones who did not fill out the FAFSA are assumed to be of high enough income that they either did not need federal aid or thought they would not qualify for it.

About 80 percent of Kentucky students have financial aid and the amount each receives is progressive, Woodley said. In other words, the students from lower-income homes generally receive more financial aid and higher-income students receive less. That is what Woodley said she wanted to see.

The council is looking at the mix of scholarships and grants given to students and see-
See COLLEGE COST, A7

College cost (Continued from Page A6)

ing if it can create more need-based financial aid, Woodley said.

"We need to take a hard look at financial aid and we need to provide other opportunities ... so financial aid is not a barrier," Woodley said.

Approximately \$24.6 million in state money is expected to go toward merit or need-based financial aid next year, according to a report released at the council's May 21 meeting. About 20 percent, or \$5 million, is going toward need-based grants. About 80 percent will go toward merit and other student aid.

Council staff said it also has to work to better educate families about the kind of aid available and how to fill out the FAFSA

since it is a daunting task for many families.

In 2004, Kentucky was ranked 14th in the nation in affordability of community colleges, fifth for a public four-year college and 16th in the ability to pay for a private four-year college, according to information from the council's May 21 meeting. Overall its affordability, taking into account the amount of need-based aid, low-priced colleges and low student debt it has, Kentucky was ranked 14th in the state, compared to its 8th ranking in 2002.

While the study focused on full-time students from Kentucky, the council also wants to target affordability for part-time and nonresident students, Woodley said.

"If we look at the elasticity of demand, nonresident students pay a higher share of that demand," Woodley said. "We need to find a way to attract more nonresidential students to come here and stay here."

As for part-time students, "we need to make it easier for them and provide them more assistance so they can possibly go full time," Woodley said.

Overall, the council is pleased with the results, President Thomas Layzell said.

"We are reasonably priced," Layzell said. "We are below the average (cost) for the country and region and we are still one of the most affordable states."

The council has been study-

ing affordability for about two er Education Financial Aid and
and a half years through "Chang- Financing Policy," a multi-year
ing Direction: Integrating High- study among 15 states to look at
affordability and accessibility of
public institutions, especially for
lower income students.